



Md. budget negotiators reach compromise

By: [Hayley Peterson](#)

Examiner Staff

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ANNAPOLIS -- The Maryland House and Senate are set to vote on a state budget compromise after a panel of lawmakers reached a deal by killing a Senate measure that would shift teacher pension costs to the counties.

The \$13.2 billion budget agreed to by House and Senate negotiators includes no new taxes or fees and remains largely unchanged from Gov. Martin O'Malley's original proposal -- including his plan to shift nearly \$1 billion among different accounts for "short-term fixes."

The biggest difference between the two chambers' budget bills was in the funding of teacher pensions. The budget panel voted Thursday to create a commission to study how the state should deal with growing pension costs, after the House decided last week that the issue needs further investigation because local governments say they can't afford the payments. The eight-member commission will be expected to issue its recommendations to the General Assembly before the 2011 session.

The Senate's measure would have required local governments to gradually take on a portion of teacher pension payments starting by 2012, saving the state \$63 million in the first year and \$330 million by 2015, according to a legislative fiscal analysis.

Sen. David Brinkley, R-Carroll and Frederick counties, called the panel's decision to side with the House "irresponsible."

"It's the ostrich syndrome," he said. "They've got their heads in the sand."

Brinkley said the state's pension payments are rising at the rate of 15 percent per year.

"The longer we wait, the more severe actions we're going to have to take," he said.

The Senate will take up the pension compromise -- as well as the reconciled budget -- Friday, and the House will likely address the budget by Saturday. The two chambers have until Wednesday, the last day of session, to vote on the revised budget.

The budget negotiators voted in favor of a Senate priority to keep \$11.5 million for legislative scholarships parceled out by lawmakers each year. The panel threw out the House's measure that would have transferred the scholarship money to the Maryland Higher Education Commission.

The panel also restored Gov. Martin O'Malley's \$20 million allocation to the Chesapeake Bay Trust Fund, which the House wanted to reduce by \$5 million and the Senate by \$10 million. About half of the money would pay for crops that prevent fertilizer from seeping into waterways.

The panel cut O'Malley's \$12.4 million allocation for stem cell research by \$2 million, but the cut still exceeded the Senate's recommendation by \$4 million.

hpeterson@washingtonexaminer.com